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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Notification requirements relating to retail price regulation under Article 5 of the Electricity Directive

In December 2020, the Commission sent to all concerned Ministers a letter signed by Ditte Juul Jørgensen, Director General of DG Energy, regarding the obligation of Member States to notify public interventions in the price setting for electricity, subject to the conditions set out in Article 5 of the Electricity Directive 2019/944, within one month of their adoption. For that purpose, the Commission provided templates that national authorities are advised to use when notifying the implemented measures.

Delegations will find the above notification templates in Annex. Delegations are also informed that in order to facilitate the sending and the reception of Member States' notifications, the Commission services (DG ENER Unit B.1) have created the following functional mailbox: ENER-B.1-Art.5-Notification@ec.europa.eu.

You are kindly invited to use this mailbox in the future to send your notifications. For any clarification, delegations can contact directly Mr Paul DELECOURT, DG ENER – Unit B.1 Consumers, local initiatives, Just Transition, +3222952314.

For those Member States who have already notified the Commission, there is no need for a second submission. Your notifications have been duly registered.

*Notification template for public service obligations that are interventions in price setting
for the supply of electricity to energy poor or vulnerable household customers,
cf. Articles 5(4), 5(5) and 5(8) of Directive (EU) 2019/944*

1. General description of the intervention

- a. Please provide a general description of the public intervention including its purpose, obligations imposed, undertakings fulfilling it and beneficiaries. **Please note that for transparency reasons this answer may be published by DG Energy.**

- b. Please indicate why the public intervention is proportionate, in particular why the objective sought by the intervention cannot be met with measures that are less of a hindrance to the internal electricity market. **Please note that for transparency reasons this answer may be published by DG Energy.**

2. Detailed description of the intervention

- a. Please provide a detailed description of the public intervention and why it is considered necessary.

- b. Please describe the obligations imposed.

- c. Please indicate who the beneficiaries of the public intervention are, and the criteria applied for targeting these beneficiaries.

- d. Please provide information on the absolute number and percentage of household customers affected by the public intervention.

- e. Please provide information on the planned duration of the public intervention including its entry into force and the scope and timing of review mechanisms.

- f. Please provide information on the undertakings that must fulfil the public intervention and the criteria applied for designating these undertakings.

- g. Please explain how the regulated prices have been determined.

- h. Please explain why other instruments were not sufficient to achieve the objective pursued.

- i. Have you previously communicated this public intervention to the Commission? If so, please indicate what the changes to the intervention are since it was communicated initially.

- j. Please provide information on the effects of the notified public intervention on competition.

3. Conditions listed in Article 5(4) of the Electricity Directive

- a. Please explain the general economic interest pursued by the intervention and how the intervention is appropriate for achieving it.

- b. Please explain how it has been ensured that the public intervention does not go beyond what is necessary to achieve that general economic interest.

- c. Please explain how the public intervention is defined.

- d. Please explain how the public intervention is transparent.

- e. Please explain how it has been ensured that the public intervention is non-discriminatory.

f. Please explain how the public intervention is verifiable.

g. Please explain how it has been ensured that the public intervention guarantees equal access for Union electricity undertakings to customers.

h. Please explain how the public intervention is limited in time.

i. Please explain how the public intervention is proportionate as regards its beneficiaries.

j. Please explain how it has been ensured that the public intervention does not result in additional costs for market participants in a discriminatory way.

4. Additional requirements regarding the assessment of the number of households in energy poverty pursuant to Article 5(5) of the Electricity Directive.

a. Please indicate if you assessed in your integrated national energy and climate plan the number of households in energy poverty¹. If the answer is yes, please provide the references, and indicate the number here.

¹ See also Article 3(3)(d) of Regulation (EU) 2018/1999.

- b. Please indicate if your integrated national energy and climate plan includes a national indicative objective to reduce energy poverty. Does it include an outline of policies and measures that address energy poverty? If the answer is yes, please provide the references and indicate the objective here.

- c. If your integrated national and energy climate plan does not mention the number of households in energy poverty, please indicate if this number has been assessed in another official document. Please indicate where the criteria for this assessment are established and published².

- d. If your integrated national energy and climate plan does not include a national indicative objective to reduce energy poverty, nor an outline of policies and measures that address energy poverty, please indicate if such an objective and such policies and measures have been determined in another official document.

- e. Please indicate what monitoring mechanism is in place in view of the obligation to report progress under the integrated national energy and climate plan as regards quantitative information on the number of households in energy poverty, policies and measures addressing energy poverty and progress towards the national indicative objective to reduce the number of households in energy poverty³.

² See Article 29 of Directive 2019/944/EU.

³ See Article 24 of Regulation (EU) 2018/1999.

*Notification template for public service obligations that are interventions in price setting
for the supply of electricity to household customers that are not energy poor or vulnerable
and to microenterprises
cf. Articles 5(4), 5(7) and 5(8) of Directive (EU) 2019/944*

1. General description of the intervention

- a. Please provide a general description of the public intervention including its purpose, obligations imposed, undertakings fulfilling it and beneficiaries. **Please note that for transparency reasons this answer may be published by DG Energy.**

- b. Please indicate why the public intervention is proportionate, in particular why the objective sought by the intervention cannot be met with measures that are less of a hindrance to the internal electricity market. **Please note that for transparency reasons this answer may be published by DG Energy.**

2. Detailed description of the intervention

- a. Please provide a detailed description of the public intervention and why it is considered necessary.

- b. Please describe the obligations imposed.

- c. Please indicate who the beneficiaries of the public intervention are, and the criteria applied for targeting these beneficiaries.

- d. Please confirm whether the public intervention covers all household customers and microenterprises.

- e. Please provide information on the planned duration of the public intervention including its entry into force and the scope and timing of review mechanisms.

- f. Please provide information on the undertakings that must fulfil the public intervention and the criteria applied for designating these undertakings.

- g. Please explain how the regulated prices have been determined.

- h. Please provide information on the effects of the notified public intervention on competition.

- i. Please explain why other instruments were not sufficient to achieve the objective pursued.

- j. Have you previously communicated this public intervention to the Commission? If so, please indicate what the changes to the intervention are since it was communicated initially.

3. Conditions listed in Article 5(4) of the Electricity Directive

- a. Please explain the general economic interest pursued by the intervention and how the intervention is appropriate for achieving it.

- b. Please explain how it has been ensured that the public intervention does not go beyond what is necessary to achieve that general economic interest.

- c. Please explain how the public intervention is defined.

- d. Please explain how the public intervention is transparent.

- e. Please explain how it has been ensured that the public intervention is non-discriminatory.

f. Please explain how the public intervention is verifiable.

g. Please explain how it has been ensured that the public intervention guarantees equal access for Union electricity undertakings to customers.

h. Please explain how the public intervention is limited in time.

i. Please explain how the public intervention is proportionate as regards its beneficiaries.

j. Please explain how it has been ensured that the public intervention does not result in additional costs for market participants in a discriminatory way.

4. Additional requirements under Art. 5(7) regarding the assessment of public service obligations that are public interventions in price setting for the supply of electricity to household customers that are not energy poor or vulnerable and to microenterprises.

a. Please provide a description of all measures accompanying this public intervention that have been, or will be, put in place to achieve effective competition.

- b. Please provide a description of the methodology that you will use to assess progress in achieving effective competition, with regard to the public intervention described above.

- c. Please explain how the methodology used to set prices in this public intervention ensures the non-discriminatory treatment of suppliers.

- d. Please explain how it has been ensured that the regulated prices are set above cost and that effective price competition can occur at such a level.

- e. Please explain how this public intervention has been designed to minimise any negative impact on the wholesale electricity market.

- f. Please indicate if all beneficiaries of the public intervention have the possibility to choose competitive market offers.


- g. Please describe the mechanism of informing all beneficiaries of the public intervention directly, at least every quarter, of the availability of offers and savings in the competitive market, in particular of dynamic electricity price contracts.

- h. Please explain how all beneficiaries of this public intervention are provided with assistance to switch to a market-based offer.

- i. Please indicate if all beneficiaries of the public intervention are entitled to, and are offered to, have smart meters installed at no extra upfront cost to the customer. Please describe the mechanism.

- j. Please explain how you made sure that all beneficiaries of the public intervention are directly informed of the possibility of installing smart meters and how they are provided with necessary assistance to do so?

- k. Please explain how it is ensured that the public intervention does not lead to direct cross-subsidisation between customers supplied at free market prices and those supplied at regulated supply prices.

 Electronically signed on 17/12/2020 17:41 (UTC+01) in accordance with article 11 of Commission Decision C(2020) 4482
